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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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MAR 06 2015

SUSAN BITTER SMITH, Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

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BAU

IN THE MATTER OF THE APPLICATION OF THE
ARIZONA ELECTRIC POWER COOPERATIVE,
INC. FOR A HEARING TO DETERMINE THE
FAIR VALUE OF ITS PROPERTY FOR
RATEMAKING PURPOSES, TO FIX A JUST AND
REASONABLE RETURN THEREON AND TO
APPROVE RATES DESIGNED TO DEVELOP
SUCH RETURN

Docket No. E-01773A-12-0305

**AEPCO STATUS REPORT
FOLLOWING 2/20/15
PROCEDURAL CONFERENCE**

On February 20, 2015, a conference was held to discuss procedural issues relating to scheduling a hearing to address the contested issues concerning the Environmental Compliance Adjustment Rider ("ECAR") proposed by Arizona Electric Power Cooperative, Inc. ("AEPCO" or the "Cooperative"). At the conference, the Administrative Law Judge requested that AEPCO prepare an estimate of the impact that the two most immediate environmental compliance obligations facing the Cooperative (Regional Haze and Mercury and Air Toxic Standards) may have on retail customer rates for the purpose of incorporating that information into the procedural order prescribing the form of hearing notice.

The purpose of this filing is to provide a status report regarding the preparation of the requested estimate as well as discussions with Utilities Division Staff ("Staff") regarding certain procedural issues. Specifically, AEPCO is currently working with its distribution cooperative members on the requested rate impact information. At the same time, AEPCO and Staff are discussing the possibility of preparing a stipulated set of facts upon which the parties can then

1 brief the policy issues associated with the recovery of chemical costs through the ECAR (in lieu
2 of holding a hearing on the subject). In light of this potential alternative procedure, AEPCO will
3 continue to work with its members and Staff and file an updated status report as and when
4 appropriate.

5 RESPECTFULLY SUBMITTED this 6th day of March, 2015.

6
7 GALLAGHER & KENNEDY, P.A.

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9 By 

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12 **Original and 13 copies** filed this
13 6th day of March, 2015, with:

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16 **Copies** of the foregoing delivered
17 this 6th day of March, 2015, to:

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